GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:2212
ANSWERED ON:14.03.2007
AUCTION OF COAL ACREAGES
Bhagora Shri Mahavir;Verma Shri Ravi Prakash

Will the Minister of COAL be pleased to state:

(a) whether the Government proposes to auction coal acreages for captive mining and scrap the present system in which these are allocated to user industries like power and steel plants without any bidding process;

(b) if so, the details there of and the reaction of the Government thereto;

(c) whether there is any proposal to make changes in the Mines and Minerals (Development and Regulation) Act, 1957;

(d) if so, the details thereof;

(e) the steps taken by the Government to ensure undisrupted supply of coal to power plants and steel plants; and

(f) the time by which the new system is likely to be introduced?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a)to(d): Yes, Sir. In order to make the system more transparent and objective in the context of increasing applicants and declining number of blocks available, a proposal to introduce a mechanism of competitive bidding for allocation of coal blocks by amending the Mines & Minerals (Development and Regulation) Act, 1957 is under consideration of the Government.

(e): The Government has taken the following measures to ensure supply of coal to power and steel plants:

(i) 97 mining projects have been undertaken for implementation by CIL during X Plan.

(ii) improvement in equipment utilization;

(iii) timely implementation of projects;

(iv) all new mines are being planned with mechanization;

(v) increasing productivity in both underground and opencast mines;

(vi) 130 coal blocks have been allotted to various private/public sector companies;

(vii) emergency coal production has been planned for increasing production in existing mines/projects.

(f): Adoption of proposed competitive bidding process will require legislative amendments; it will not be possible to indicate a specific time frame.